BACKGROUNDER NO. 1-0047 JANUARY 27, 1976
MARK HOPKINS/MUNICH

SOVIET FOOD SITUATION

ANNCR:

SOME PROBLEMS OF FOOD SUPPLY ARE BEGINNING TO SHOW UP IN THE SOVIET UNION FOLLOWING ITS WORST HARVEST IN A DECADE. FOR A BACKGROUND REPORT HERE IS VOA CORRESPONDENT MARK HOPKINS.

VOICE:

THE CONSENSUS OF WESTERN OBSERVERS IN MOSCOW SEEMS TO BE THAT THIS WILL BE A HARD YEAR FOR THE SOVIET POPULATION. THERE WILL BE FOOD SHORTAGES, BUT THERE WILL BE ENOUGH BREAD.

THE SOVIET PRESS HAS BEGUN A LOW LEVEL CAMPAIGN ENCOURAGING SOVIET CITIZENS TO CONSERVE BREAD. AN ARTICLE IN THE SOVIET AGRICULTURAL NEWSPAPER, SELSKAYA ZHIZN, RECENTLY REVEALED SHORTAGES IN TWELVE REGIONS STRETCHING FROM THE WESTERN SOVIET UNION TO SIBERIA, AFTER COMPLAINTS FROM PEOPLE IN VILLAGES AND RURAL AREAS THAT FOOD STORES HAD BEEN CLOSED AND BREAD SUPPLIES STOPPED.

WESTERN EXPERTS IN MOSCOW HAVE RECEIVED REPORTS FROM TRAVELERS THAT LESS WHITE BREAD IS AVAILABLE, THE DARK BREADS ARE PREDOMINANT. WESTERN EXPERTS ALSO SAY THAT BECAUSE OF GRAIN SHORTAGES, SOVIET FARMERS ARE KILLING MORE PIGS AND POULTRY THAN USUAL. STOCKS ARE OF BOTH ARE ESTIMATED NOW TO BE TWENTY PER CENT LESS THAN A YEAR AGO. THE NUMBER OF CATTLE HAS REMAINED ABOUT THE SAME. MORE MEAT HAS COME ON TO SOVIET MARKETS AS FARMERS INCREASED THE KILL IN THE LAST THREE OR FOUR MONTHS. WESTERN EXPERTS BELIEVE THAT SHORTAGES -- ONCE THIS EXTRA SUPPLY IS CONSUMED -- WILL APPEAR IN MARCH OR APRIL.

THE SOVIET UNION HAS BOUGHT ABOUT TWENTY-SIX MILLION TONS OF FOREIGN GRAIN -- HALF OF IT FROM THE UNITED STATES -- TO MAKE UP FOR A HARVEST ONE-THIRD LESS THAN PLANNED. ONE WESTERN AGRICULTURAL SPECIALIST IN MOSCOW BELIEVES THAT THIS YEAR'S HARVEST IS CRITICAL. IF IT FAILS, THE SOVIET ECONOMY WILL BE HIT HARD AFTER HAVING TO ABSORB LAST YEAR'S CROP FAILURE. PROSPECTS SO FAR FOR THE WINTER WHEAT CROP -- WHICH SUPPLIES ABOUT FORTY PERCENT OF ALL SOVIET WHEAT -- ARE DIMMING AS UNFAVORABLE WEATHER CONTINUES.

SOVIET PLANNERS WILL INVEST SOME THIRTY THOUSAND MILLION RUBLES IN AGRICULTURE NEXT YEAR -- ABOUT FORTY THOUSAND MILLION DOLLARS AT THE OFFICIAL EXCHANGE RATE. AND THEY PROJECT A TOTAL INVESTMENT DURING THE FIVE YEAR PLAN THAT BEGAN THIS YEAR OF NEARLY TWO HUNDRED THIRTY THOUSAND MILLION DOLLARS. THE INVESTMENT, IT IS ARGUED OFFICIALLY, WILL PRODUCE MACHINES AND FERTILIZERS TO OFFSET THE SOVIET UNION'S CLIMATE. BUT THERE IS ALSO DISCUSSION IN THE SOVIET UNION THAT BAD WEATHER OR NOT, SOVIET AGRICULTURE IS HIGHLY INEFFICIENT -- THE SOVIET PRESS RECORDING HUGE WASTE OF FERTILIZERS, MACHINES AND HARVESTED CROPS, INCLUDING GRAIN.

GH/PBM